



## **GENERAL PURCHASING CONDITIONS-INDIA**

**1.- ACCEPTANCE OF THESE CONDITIONS.** Supplies to CIE AUTOMOTIVE companies, from here on "CIE AUTOMOTIVE" or "The CUSTOMER", arising from Purchase orders made by the latter shall be carried out in accordance with these General Purchasing Conditions, which shall be considered accepted by the SUPPLIER in the event that the latter gives its express or tacit conformity to the Purchase order sheet and hence, with the task performed, except in the event of special circumstances expressly stipulated in a separate document. Compliance with the requirements indicated in these General Purchasing Conditions is compulsory for supply to each and every one of the companies forming part of the group of CIE Automotive in every moment. While the document remains in force, its content is mandatory, even if it has not been made explicit reference to this in the documentation corresponding to the purchase. These general conditions may be supplemented by specific conditions or a Framework Agreement, set up specifically for one or more specific requests made by the companies of the group CIE Automotive (hereinafter referred to as Particular Conditions). In the event of a discrepancy between one and the other, shall prevail in the Particular Conditions.

**2.- MODIFICATIONS.** Any modification or exception to these General Conditions made by the supplier must be accepted, in advance and in writing by CIE Automotive, and only apply to the specific Request for which have been proposed. Any agreement reached with another department that attempts to modify the terms and conditions previously agreed must be approved in writing by the CIE AUTOMOTIVE purchasing department in the form of an appendix to this contract. Accordingly, the signing of sale forms of suppliers or the existence, in the case of General Conditions of sale of the Supplier, do not exempt from the application of these General Conditions, which prevail, in any case, except with prior written acceptance of CIE Automotive as provided in the same together with the express repeal, partial or total, of the present General Conditions.

**3.- CONFIDENTIALITY.** The CUSTOMER reserves the right to require the Supplier to sign an NDA, Non-Disclosure Agreement, or equivalent confidentiality document to ensure that the information received is not used by the latter in relations with other parties.

**4.- CERTIFICATES OF ORIGIN.** The SUPPLIER shall supply the CUSTOMER with any certificate it may request, together with all of the necessary, signed, and complete details. This shall also apply to documents concerning the return of taxes from suppliers in the same country or in foreign countries. Moreover, the SUPPLIER shall inform the CUSTOMER if the goods to be delivered are subject to export restrictions, whether wholly or in part.

**5.- PURCHASE ORDERS.** All Purchase order made from CIE Automotive that is not supported by a contract will be supported by an Purchase order form (the "PURCHASE ORDER"), or, in his absence, by a budget agreed to in writing by CIE Automotive. The CUSTOMER shall make its Purchase orders using a standardized model, each with its Purchase order number. The Purchase order shall be considered accepted by the SUPPLIER when the latter gives express indication thereof or tacitly within 10 working days of the date on which the Purchase order was made, or by the tacit mere execution of the Purchase order by the SUPPLIER.

**6.- SUPPLIER PORTAL.** The customer has a Supplier portal. Most of the suppliers gradually must onboard the portal. Those Suppliers onboarded to Portal should ensure to follow the defined process. Like Acknowledgement of Purchase order and any change in price. Before shipment supplier will ensure to create Advance shipment notification (ASN) based on schedule quantities allocated against the specific purchase order.

**7.- DELIVERIES.** All goods deliveries shall be made to the unloading area of the factory indicated in the Purchase order or delivery program and transported at the expense and risk of the SUPPLIER. Deliveries shall be made in the quantity, term, and manner indicated on the Purchase order or in the programmes in which the latter is made. The conditions of carriage shall be defined by "Current Incoterms" in the Purchase orders. If this were not the case, the Incoterms should guaranty Carriage and Insurance Paid, CIP, to agreed place of destination for international transactions, and delivered duty paid in agreed place of destination, in case of domestically transactions. The supplier should ensure that the vehicle delivering the goods complies with all statutory norms including safety standards. There are some charges which may become payable as per the applicable local laws of Indian state while delivering the goods. Such charges will be borne by the supplier unless otherwise agreed.

**8.- INSPECTION AND ACCEPTANCE.** The CUSTOMER reserves the right to carry out the verifications at source and audits it considers appropriate, whether on its own initiative or accompanied by its client, to the quality system, manufacturing process, products, inventory status, equipment and packaging, handling etc., at the SUPPLIER's plant. To that effect the CUSTOMER's authorized representatives shall have free access at all times (on request), during the period of implementation of the delivery contract, the local workshops or factories of the SUPPLIER and/or subcontractor, where they are in manufacture, stored or running the materials and/or equipment hired. In the event that SUPPLIER breaches are observed, the latter shall undertake to correct them in the term stipulated by the CUSTOMER.

The defective material found, either in the receipt of materials, during the manufacturing process or in the subsequent implementation, it will be returned freight collect to the SUPPLIER, the supplier shall be responsible for the expenses that might be incurred as a result of the problem of "not quality" found.

**9.- COMPLIANCE WITH DELIVERY COMMITMENTS.** In the event of SUPPLIER breach of the agreed delivery commitments, either as regards quantity or term, even due to a cause beyond his will the CUSTOMER shall be authorized to modify at its convenience the total quantity and terms originally agreed, or to regard the Purchase order as fully cancelled. Partial deliveries will not be accepted or amounts greater than those requested unless that is indicated in the Purchase order or specifically requested in writing. In the case of receiving higher amounts to those reflected in the Purchase order, the surplus can be returned to the SUPPLIER with the corresponding freight to its charge.

**10.- DELAYS AND DAMAGES.** In the event of the SUPPLIER's breach to comply with any of the obligations laid down, and without prejudice to the exercise of the legal actions that may correspond to the CUSTOMER, it is agreed a penalty of 1 % of the value of the undelivered material for each week with of delay, (with a maximum of 5%), without prejudice to the obligation for the supplier to pay the 100% of other costs or prejudices deriving from the aforementioned SUPPLIER's breach, line stoppages, special transport, etc. However, supplier and customer may agree differently by way of a purchase order on case-to-case basis.

**11.- DELIVERY NOTES & INVOICES.** The materials shall be accompanied by the corresponding delivery note and Invoices (No material will be accepted without an invoice), which shall indicate the following information:

- > Vendor code assigned by the CUSTOMER. Vendor name and address.
- > Bill to and Ship to details i.e., name and address.
- > Purchasing Purchase order Number.
- > GST Registration number (GSTIN) and Permanent Account Number (PAN).
- > Invoice Reference Number (IRN) as applicable.
- > E-Way Bill number and validity, Distance, Mode of Transport & Transporter details.
- > Material code and full name of the material as per the Purchase order. In case of services SAC Code, full description of services rendered. Also, the HSN code of product invoiced.
- > Packing list, Actual quantity sent, Number of bundles, net weight, and gross weight.
- > Unit Price and total amount i.e., Taxable value, GST as applicable (CGST, SGST/UTGST, IGST) and finally the total invoice value.
- > Date and number of documents (Invoice number), Bank details
- > Invoice must accompany the goods supplied as required by the Indian laws prevailing when the goods are supplied. The submission of the invoice to the CUSTOMER must be according to the process communicated from time to time.
- > Chemical composition report of the RM supplied (Steel, Aluminum, Resins etc.) should accompany the material. Further if any pre-dispatch inspection report is required the same should also form part of delivery documents.
- > Supplier should ensure that the quantities mentioned in the delivery note/invoice and the actual quantity (Actual weight or actual count) when received at customer end are not different. Customer reserves the right to accept/reject such consignment at its own discretion.

Should these requirements not be met, the CUSTOMER reserves the right to return the delivery and subsequent invoice, since this information is essential for its organization.

The customer has implemented automated lock for supplier not complying with GST regulations of GST payment and filing of returns as mandated by GST laws. The supplier should always comply with GST laws in order to continue supplies to customer. Customer reserves the right to cancel purchase order and block a supplier from supplies in case of GST non-compliance.

**12.- QUALITY.** Batches that are rejected either totally or in part by the CUSTOMER'S quality services shall be returned to the SUPPLIER at the expense and risk of the latter, and such deliveries shall not under any circumstances be considered completed.

Depending on the case in question, the CUSTOMER may:

- > Reject the material, which will need to be delivered again in the same quantities.
- > Reject the material, without a replacement being sent by the SUPPLIER.
- > Reject the entire batch and cancel the Purchase order. Moreover, it may claim any damages that should arise.
- > Reject, at the Supplier's expense, the quantities necessary to prevent the damages that the partial or total return of the quantity delivered may cause to the CUSTOMER.

Although the SUPPLIER may not have received the notice of rejection before the parts are used, the CUSTOMER reserves the right to return those that are unusable due to manufacturing faults, establishing the relevant charge at the same time. Moreover, the SUPPLIER shall cover 100% of the costs incurred due to reprocessing, selections, or other actions necessitated due to faults with the supplied products. The Supplier shall conduct continuous improvement activities to offset possible increases in its internal costs and to maintain competitiveness on an international scale.

**13.- SUBCONTRACTING.** The SUPPLIER may not subcontract all or part of the execution of the Purchase order, without the prior written authorization by CIE Automotive. Obtaining such authorization of outsourcing implies that the Subcontractor accepts the present Purchasing Conditions from the moment it begins to provide its services to CIE Automotive. In any case of subcontracting, the SUPPLIER shall be liable jointly and severally liable with the subcontractor in respect of all obligations of this to CIE Automotive, which may exercise the corresponding legal actions either against the Subcontractor and/or SUPPLIER.

**14.- EQUIPMENT AND STANDARDS.** Stamping tools, molds and general tools Purchase ordered or required to obtain the parts stipulated in the Purchase order shall be considered the property of the CUSTOMER and may be withdrawn by the latter when it requests delivery thereof, and the Supplier shall renounce any other right that may correspond to it. The SUPPLIER shall provide an "in deposit" delivery note for these materials. While these materials are in the possession of the Supplier, the Supplier shall be responsible for their maintenance and conservation in Purchase order to ensure their good operation.

**15.- PRICES.** The prices referred to in the Purchase order are fixed and unchangeable, except for any contrary written agreement, and include all of the goods or services which are the subject of contracting as well as any costs to be borne by the supplier to make effective the supply or provision of those. The CUSTOMER shall not accept any change to prices once the Purchase order has been processed, unless it involves a change in manufacture that has been agreed between the parties.

**16.- CONDITIONS OF PAYMENT.** Payment conditions shall be agreed upon by both parties and will be reflected in the Purchase order or in any other document signed by CUSTOMER and SUPPLIER.

**17.- RESOLVE.** The relationship between the CUSTOMER and the SUPPLIER shall be extinguished by its expiration or early termination of the same. The CUSTOMER shall have the power to resolve in advance the contractual relationship in the following cases:

- > The SUPPLIER's failure to comply with the legislation in force, and in particular, of the labor obligations, social or fiscal, related to personnel intended for the execution of the Purchase order.
- > Any breach of these Terms and Conditions or any of the other documents that form part of the Purchase order, considering as non-compliance, the unwarranted delay in the execution of the supply or services Purchase ordered.
- > The extinction of the legal personality of the SUPPLIER or the sale or transmission of the SUPPLIER or its transformation into another legal entity.
- > Assignment of the contract, in whole or in part, without the prior authorization, express and written, of CIE Automotive.
- > The application for a declaration of bankruptcy of the SUPPLIER or the existence of a significant decrease of its financial capacity that could assume the foreseeable cessation of its payment obligations.
- > The mutual agreement between the parties.

**18.- FORCE MAJEURE.** The CUSTOMER may suspend the receipt and payment of goods requested from its Supplier in the event of flooding, fire, or other accident at the factory where the delivery is to be made, and in the event of collective conflict, similar situations, or those of force majeure.

**19.- SUPPLIER'S LEGAL COMPLIANCE.** The SUPPLIER undertakes to comply with and enforce their employees, and in its case, its contractors and assignees, the legislation in force in the Fiscal, Employment, Social Security, Safety and Health at Work and the Environment, and any other legal application, as well as respecting, in the case of activities carried out at the installations of CIE Automotive, policies on Safety and Health at Work and the Environment taken by CIE Automotive.

Likewise, the SUPPLIER, in jobs to be performed at the CUSTOMER'S facilities, shall respect and ensure compliance with the rules of the workplace at which they are carrying out their task, together with those set down by the legislation for the task to be performed. Breach of these rules shall authorize the CUSTOMER to terminate the contract with the SUPPLIER and/or to claim any damages arising from such breach.

**20.- CONFORMITY WITH REGULATIONS.** All products and/or services supplied by the SUPPLIER will comply with all applicable laws, rules, regulations, orders, conventions, ordinances and standards of the States or Country(ies) of origin and destination or that relate to the manufacture, labeling, transportation, importation, exportation, licensing, approval, performance and/or certification of the goods or services, including, but not limited to, those relating to all statutory, environmental matters, wages, hours and conditions of employment, subcontractor selection, discrimination, occupational health/safety and motor vehicle safety. Upon CUSTOMER request, SUPPLIER will certify in writing its compliance with the foregoing. SUPPLIER will defend, hold harmless and indemnify CUSTOMER from and against any liability, claims, demands, damages or expenses (including reasonable attorney or other professional fees and disbursements) arising from or relating to SUPPLIER's noncompliance with this Article.

**21.- ENVIRONMENTAL, SOCIAL AND GOVERNANCE CRITERIA.** The CUSTOMER takes ownership of the ten universally accepted principles in the United Nations Global Compact strategic policy in the areas of human rights, labour and environment, and integrates them within the company's strategy and activities. These ten universally principles in the UNG Compact strategic policy are considered an integral part of its strategy and operations, so the compliance of them should be equally borne to the supplier. Therefore, every supplier must have a plan aligned with the **United Nations 2030 Agenda for Sustainable Development**. The non-compliance of any of them, would enable the immediate termination of the contractual relationship.

**22.- INSURANCES.** The SUPPLIER must compensate all damages, personal or material, which, as a result of the execution of the Purchase order, cause to the CUSTOMER or third parties, or in its case, repair or replace the damaged property, when the nature and purpose of the same allows to it. These effects, and regardless of all the mandatory insurance as required by the legislation for the proper exercise of the Purchase order, the supplier shall be obliged to provide a liability Insurance Policy, which covers the possible contingencies that may arise against a third party, including the CUSTOMER itself.

**23.- LEGAL REGIME.** The applicable law shall be the law of the registered office of the company of the group CIE Automotive recipient of the delivery or supply by the SUPPLIER. The supplier, for the case of a dispute, disagreement, issue or complaint arising from the interpretation or execution of the Purchase order or of the present General Conditions with express waiver of its jurisdiction, submits to the jurisdiction and competence of the courts and tribunals of the place where the registered office of the company of the group CIE Automotive recipient of the delivery or supply by the SUPPLIER.

**24.- CODE OF CONDUCT.** Just as all CIE Automotive employees are required to familiarize themselves with and comply with the Code of Conduct, the Group also encourages its business partners (joint ventures, suppliers, customers, contractors and other partners) to align their conduct with the Code and apply equivalent ethical standards, including Anti-Corruption, Bribery and Conflict of Interest, among others.

The partial or total breach of the aforementioned Code of Conduct, would allow the automatic resolution of the contractual relationship, as well as the elimination as a supplier of CIE Automotive

**25.- WHISTLE-BLOWING CHANNEL:** CIE Automotive has set up a procedure for managing notifications and enquiries with respect to Code of Professional Conduct breaches or anomalies. All members of the organization and any of its stakeholder groups may use to it make enquiries or notify unusual activity or breaches of the rules set down in the Code of Professional Conduct aforementioned, using the following channels:

❖ **Directly to parent company, CIE Automotive**

- by submitting 'online ethical channel form' available at the following link:

<https://www.cieautomotive.com/en/web/quest/ethical-channel>

- through email addressed to [whistleblowerchannel@cieautomotive.com](mailto:whistleblowerchannel@cieautomotive.com)
- by post sent to the 'Chief Compliance Officer', Compliance Department, at

*CIE Automotive Global Headquarters: Alameda Mazarredo 69, 8th floor Zip Code: 48009 Bilbao (Bizkaia), Spain.*

❖ **To Chairperson of the Audit Committee of the Board of Directors of MCIE**

- through post/courier sent to registered office of the Company at:

*Suite F9D, Lobby Level, Grand Hyatt Plaza, Vakola, Santa Cruz(East), Mumbai - 400055*

- through email sent at: [chairpersonofauditcommittee@cie-india.com](mailto:chairpersonofauditcommittee@cie-india.com)

❖ **To Chief Ethics Officer of MCIE**

- through email sent at: [whistleblowerchannel@cie-india.com](mailto:whistleblowerchannel@cie-india.com)

- through post/courier sent to registered office of the Company at

*Suite F9D, Lobby Level, Grand Hyatt Plaza, Vakola, Santa Cruz(East), Mumbai - 400055*

In the same way, the CIE Automotive Group fervently recommends, to its suppliers and the rest of its supply chain, to have a similar procedure for managing notifications and inquiries regarding its Code of Professional Conduct